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No. 03-443

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

ALLERGAN, INC. and ALLERGAN SALES, INC.,

Petitioners,

v.

ALCON LABORATORIES, INC., ALCON RESEARCH, LTD., ALCON UNIVERSAL, LTD., and BAUSCH & LOMB INCORPORATED,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION FOR RESPONDENTS ALCON LABORATORIES, INC., ALCON RESEARCH, LTD., AND ALCON UNIVERSAL, LTD.

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COUNTER-STATEMENT OF THE QUESTION PRESENTED

Whether the U.S. Court of Appeals for the Federal Circuit properly affirmed a judgment limiting pre-market patent infringement suits under 35 U.S.C. § 271(e)(2) to patents that claim the use for which an Abbreviated New Drug Application ("ANDA") seeks approval, and thus dismissed the instant case where:

(a) respondents' ANDA sought approval to make and sell generic brimonidine for the single indication of lowering intraocular pressure in patients with open-angle glaucoma or ocular hypertension;

(b) neither the product brimonidine nor the method of using it for lowering intraocular pressure was covered by any patent; and

(c) petitioners' asserted patents claim a method of using brimonidine (for neuroprotection) that has not been subject to clinical trials and thus has never been approved by the FDA.

CORPORATE DISCLOSURE STATEMENT

Respondents Alcon Laboratories, Inc. and Alcon Research, Ltd. are wholly owned by Alcon, Inc. (formerly known as Alcon Universal, Ltd.). Respondent Alcon, Inc. has no parent company and Nestle, SA is the only publicly held company that owns 10% or more of its stock.

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STATUTES AND REGULATIONS INVOLVED

In addition to 35 U.S.C. § 271(e)(2), set forth in petitioners' brief, the following provisions are pertinent to the question presented:

Title 35 U.S.C. § 271(e)(4) provides, in relevant part, that:

> For an act of infringement described in paragraph [271(e)](2)—
>
> (A) the court shall order the effective date of any approval of the drug or veterinary biological product involved in the infringement to be a date which is not earlier than the date of the expiration of the patent which has been infringed. . . .

Title 21 U.S.C. § 355(b)(1) provides, in relevant part, that:

> The applicant shall file with the application the patent number and the expiration date of any patent which claims the drug for which the applicant submitted the application or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacturer, use, or sale of the drug.

Title 21 U.S.C. § 355(j)(2)(A)(vii) and (viii) provide, in relevant part:

> An abbreviated application [ANDA] for a new drug shall contain—
>
> * * *

> (vii) a certification . . . with respect to each patent which claims the listed drug referred to in clause (i) or which claims a use for such listed drug for which the applicant is seeking approval . . .
>
> * * *
>
> > (IV) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the drug for which the application is submitted; and
>
> (viii) if with respect to the listed drug referred to in clause (i) information was filed under subsection (b) or (c) of this section for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

Title 21 C.F.R. § 314.53(b), entitled "Patents for which information must be submitted," states, in relevant part:

> An applicant . . . shall submit information on each patent that claims the drug or a method of using the drug that is the subject of the new drug application . . . and with respect to which a claim of patent infringement could reasonably asserted if a person not licensed by the owner of the patent engaged in the manufacture, use, or sale of the drug product. . . . For patents that claim a method of use, the applicant shall submit information only on those patents that claim indications or other conditions of use of a pending or approved application.

COUNTER-STATEMENT OF THE CASE

A. Introduction

Fundamental to this case is whether Congress intended to authorize patentees to institute patent infringement actions under 35 U.S.C. § 271(e)(2) against applicants seeking FDA approval through the ANDA process to market generic drugs, based upon method-of-use patents that concededly do not claim the method of using the drug for which ANDA approval is being sought. The Federal Circuit examined this question in *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348 (Fed. Cir. 2003), *see* Appendix ("App."), *infra*, 1a-33a, and properly held that the Act does not expand the scope of traditional patent law so as to broaden the rights of patentees with respect to method-of-use patents that would not be infringed in the conventional sense by use of the drug in the method for which ANDA approval is sought.

The *Warner-Lambert* court held that § 271(e)(2) authorizes infringement actions only on patents that claim use of a drug in the same method as that for which the generic applicant seeks approval (*i.e.*, what Congress described as "controlling use patents"). In doing so, the *Warner-Lambert* court rejected the argument that New Drug Application ("NDA") holders can prevent generic competition for unpatented uses of unpatented drugs based on the future possibility that third parties will use the drug for a use that would infringe a method-of-use patent that claims an unapproved ("off-label") use. Because an ANDA applicant can only seek approval of products or methods of using products that have been previously approved after safety and efficacy testing, this interpretation of the Act fosters Congress's stated purpose "to make available more low cost generic drugs [and] to create a new incentive for increased expenditures for research and development of certain products which are subject to premarket approval." *See* Drug Price Competition and Patent Term Restoration Act

of 1984, H.R. Rep. No. 98-857(I), at 14-15 (1984), *reprinted in* 1984 U.S.C.C.A.N. 2647, 2647-48.

While the decision in this case included concurring opinions on behalf of each of the panel members that criticized the *Warner-Lambert* holding, the panel recognized and properly followed the holding of the *Warner-Lambert* court in affirming the summary dismissal of petitioners' complaint by the district court. Petitioners' subsequent petition for rehearing and rehearing *en banc* was denied without dissent, leaving no uncertainty in the governing rule of law, which is entirely consistent with prior precedent of this Court and the Court of Appeals for the Federal Circuit.

B. Statutory Background

To obtain FDA approval to manufacture a new drug, the applicant must submit an NDA supported by clinical trials that prove the safety and efficacy of the proposed drug for a specific treatment or indication. Under the Act, generic drug makers may submit an ANDA which relies on the safety and efficacy studies supporting the NDA. To further encourage the prompt marketing of generic drugs, Congress amended the patent laws to free generic manufacturers from liability for patent infringement in connection with the developmental work for ANDA's. *See* 35 U.S.C. § 271(e)(1). Thus, the generic version of a drug may be tested to prepare an ANDA while a relevant patent is still in effect. This allows the ANDA to be ready for approval and the generic drug to be marketed immediately upon expiration of the relevant patent.

Congress also sought to encourage the commercial development of new drugs by creating incentives for NDA applicants. The Act creates a period of market exclusivity to compensate NDA-holders for their investment in the safety and efficacy studies necessary to obtain FDA approval. Thus, an NDA-holder for a new drug is awarded five years

of market exclusivity for its new drug, without regard to its patented status. 21 U.S.C. § 355(c)(3)(D)(ii). Additional testing to prove the safety and efficacy of the drug in children may earn the NDA-holder an additional six months of market exclusivity. 21 U.S.C. § 355a(a)(1)(A)(i). During the period of exclusivity, the FDA may not approve any other applicant to manufacture and sell the drug or its bioequivalent (*i.e.*, generic version). 21 C.F.R. § 314.108(b). A supplemental NDA for a new use for an approved drug is awarded three years of exclusivity.[1] 21 U.S.C. § 355(c)(3)(D)(iv) and 21 C.F.R. § 314.108(b)(5)(ii).

As a further incentive for those NDA-holders who bring a patented product to market, the Act restores some of the time lost on patent life as a result of the lengthy FDA approval process by permitting one extension of the earliest patent on certain products subject to "pre-market approval." 35 U.S.C. § 156.[2] The Act also provides that, although generic manufacturers may prepare ANDA's free from the cloud of infringement liability, they may not commercialize their products prior to the expiration of relevant patents. 35 U.S.C. § 271(e)(2)(A). This scheme depends entirely on NDA-holders submitting any patent that covers the approved drug or an approved use of the drug to the FDA for publication in "Approved Drug Products with Therapeutic Equivalence

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1. Petitioners argue that this exclusivity is worthless where a generic drug is approved for a another use of the same drug. (Petitioners' Brief ("P. Br.") at 18). That issue however is not presented in this case, where there is only one approved use of brimonidine, and it is unpatented. Petitioners' attempt to insert, at this stage, an issue that was neither raised nor decided below is improper.

2. The patent term extension provision is not relevant to this case because petitioners never had a patent on brimonidine or on the use for which they sought FDA approval.

Evaluations," commonly referred to as the "Orange Book." 21 U.S.C. § 355(b)(1) and (c)(2); 21 C.F.R. § 314.53(b).[3]

Pursuant to the Hatch-Waxman Act, for each patent that is listed in the Orange Book *and* that "claims a use for such listed drug for which the applicant is seeking approval," the ANDA applicant must certify that: (I) no such patent information has been filed; (II) the patent has expired; (III) the manufacturer will not commence marketing until after such patent has expired; or (IV) such patent is invalid or will not be infringed by the manufacture and sale of the generic drug. 21 U.S.C. § 355(j)(2)(A)(vii). A further section requires that for patents listed in the Orange Book that do not claim the use for which the ANDA seeks approval, the applicant make a statement to that effect. 21 U.S.C. § 355(j)(2)(A)(viii).

Once an ANDA is submitted with a paragraph IV certification, the applicant must give notice to the NDA-holder who may then commence an infringement suit under 35 U.S.C. § 271(e)(2). However, for a patent "which claims no uses for which the applicant is seeking approval," the notice requirement does not apply. 21 C.F.R. § 314.95(a)(3). If the NDA-holder brings suit within 45 days of receiving notice, the ANDA approval is automatically stayed for a period of up to 30 months or until a court decision of invalidity or non-infringement is obtained. 21 U.S.C. § 355(j)(5)(B)(iii). If infringement is found, the approval of the ANDA is stayed for the unexpired life of the infringed patent. 35 U.S.C. § 271(e)(4).

This complexly balanced statutory scheme is distorted when, as here, patents that do not cover the approved use of

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3. The listing of a patent in the Orange Book is entitled to no presumption about the propriety of that listing, and is merely a ministerial act on the part of the FDA. *See Ben Venue Labs., Inc. v. Novartis Pharm. Corp.*, 10 F. Supp.2d 446, 456 (D.N.J. 1998).

a drug are improperly listed in the Orange Book and are asserted under § 271(e)(2) to prevent FDA approval of an ANDA.

C. Petitioners' NDA

After having invested in clinical trials to prove the safety and efficacy of Alphagan®, a 0.2% concentration of brimonidine tartrate solution ("brimonidine"), for its use in "lowering intraocular pressure in patients with open-angle glaucoma or ocular hypertension," petitioners filed an NDA, which was approved by the FDA on September 6, 1996. Petitioners' investment in obtaining the NDA was rewarded under the Act by five and one-half years of market exclusivity for Alphagan®. *See* 21 U.S.C. § 355(c)(3)(D)(ii); 21 U.S.C. § 355a(a)(1)(A)(i). Petitioners received the exclusive right to market brimonidine for that period of time even though petitioners had no patents on brimonidine or its use for lowering intraocular pressure ("IOP"). Petitioners' market exclusivity on Alphagan® expired on March 6, 2002.

D. Petitioners' Orange Book Listings

In the early 1990's, petitioners' scientists allegedly discovered that brimonidine had neuroprotective properties useful to treat glaucoma and obtained two patents on that purported new use of the drug.[4] These patents were unsupported by clinical trial results, which are not necessary

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4. There is no support in the record for petitioners' assertion that "the vast majority of glaucoma patients are candidates for neuroprotective treatment" or that "the patented use is the substantial use for the drug." (P. Br. at 8 and 24).

for patentability of an invention.[5] Moreover, it is undisputed that petitioners have not performed the clinical trials necessary to obtain FDA-approval for this purported new use of the drug.

In 2001, just as their period of market exclusivity for Alphagan® was ending, petitioners listed two patents on neuroprotection in the Orange Book as patents which purportedly covered the approved use of the drug (lowering of IOP). However, it is a conceded fact that petitioners' patents claim only the unapproved neuroprotective use of brimonidine. Petitioners' Appendix ("Pet. App.") 53a. Thus, petitioners' patent listings were in violation the statutory listing provision and the pertinent FDA regulation. *See* 21 U.S.C. § 355(b)(1); 21 C.F.R. § 314.53(b).

E. Respondents' ANDA

In mid-2001, respondents filed an ANDA seeking approval to market generic brimonidine for its only FDA-approved use, lowering IOP. Because petitioners had listed patents in the Orange Book as supposedly covering the approved use of its drug, and because FDA does not evaluate the propriety of patent listings, respondents were forced to certify to those patents, 21 U.S.C. § 355(j)(2)(A)(vii)(IV), even though the ANDA sought approval only for the unpatented FDA-approved use of brimonidine for lowering intraocular pressure in patients with open-angle glaucoma or ocular hypertension. Petitioners then asserted that the filing of respondents' ANDA with a Paragraph IV certification was

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5. There is no support in the record for petitioners' assertion that they have spent 10-15 million dollars researching the neuroprotective use of brimonidine. The fact that this unsupported statement is juxtaposed with petitioners' explanation of how pioneer drug makers must do expensive research "to develop new uses for FDA-approved drugs" should not be mistaken for petitioners making the necessary investment to obtain FDA approval for such new use. That is something petitioners did not do. (P. Br. at 15).

an act of infringement under § 271(e)(2) and sued respondents causing FDA approval of respondents' ANDA to be automatically stayed.[6] 21 U.S.C. § 355(j)(2)(A)(viii).

F. The District Court Ruling

Respondents promptly moved for summary judgment of non-infringement in petitioners' suit. Noting that the FDA regulations "suggest that [petitioners' patents] should not even have been listed in the Orange Book," the district court granted the motion and correctly held that "the structure of the Hatch-Waxman Act as a whole [] does not allow for [petitioners'] claim here." Pet. App. 61a. That court recognized that petitioners were seeking "to effectively monopolize the market on all manufacture and use of brimonidine even though [they] admittedly can have no patent on the manufacture of brimonidine, and only have a patent on one of many uses for the drug." Pet. App. 68a n.14. Indeed, in granting respondents' motion, the court stated: "[Petitioners'] interpretation [of the Hatch-Waxman Act] turns Congress's intent on its head." Pet. App. 68a. Petitioners appealed to the Federal Circuit.

G. The Federal Circuit Affirmance And Denial Of Rehearing *En Banc*

The Federal Circuit unanimously affirmed the district court's grant of respondents' motion for summary judgment. Although the *Allergan* court appropriately followed the controlling Federal Circuit precedent in *Warner-Lambert*, App. *infra*, 1a to 33a, the panel criticized that decision in two concurring opinions. Judge Schall authored a concurring opinion (in which Judge Clevenger joined) indicating that his preferred construction of § 271(e)(2) would have

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6. Bausch & Lomb, Inc. ("B&L") also filed an ANDA for the use of brimonidine to reduce IOP. B&L was also sued by petitioners and FDA approval of its ANDA was stayed.

permitted a suit based on a patent which claims only an unapproved use of a drug. Pet. App. 22a to 41a. Judge Linn authored a separate concurrence consistent with Judge Schall's construction of the statute. Pet. App. 42a to 44a.

While reaching the correct result, the *Allergan* panel made several fundamental errors in its analysis. At the outset, the *Allergan* panel mistook the existence of petitioners' patents for proof that the drug was "effective" for the patented use. Pet. App. 2a. That conclusion was an error of law: Drug patents do not require proof of safety and efficacy, which may only be determined by the FDA (not the PTO) on the basis of well-controlled clinical trials. 21 U.S.C. § 355(d). It is undisputed that petitioners have not obtained an NDA (FDA approval) for their patented use of brimonidine. Judge Schall then proceeded to improperly balance the rights of "patentees," instead of the rights of NDA-holders, against those of ANDA applicants. Pet. App. 26a. In addition to those errors, Judge Schall's interpretation of the Act was based on his "plain language" construction of a solitary fragment of one section of a complex statutory scheme, without regard to contradictory statutory provisions and regulations or reference to the statutory scheme as a whole. In fact, Judge Schall summarily discounted other sections of the Act and pertinent sources of statutory construction as inconsistent with his initial interpretation.

Relying on the panel's concurring opinions, petitioners sought rehearing of their appeal by the Federal Circuit en banc. The full court denied *en banc* rehearing, without published dissent.

REASONS FOR DENYING THE PETITION

"A petition for a writ of *certiorari* will be granted only for compelling reasons," *see* SUP. CT. R. 10, but there is nothing deserving of the Court's review in this case. First, the case was properly decided by the court below. The Federal Circuit's controlling interpretation of § 271(e)(2) in *Warner-Lambert*, which recognized and preserved the balance struck by Congress in the Act between encouraging investment in the development of new drugs, and facilitating the public's access to low cost generic drugs through the ANDA process, was properly followed by the *Allergan* court in affirming below.

Second, there is no conflict among the circuit courts of appeal given the exclusive jurisdiction of the Federal Circuit and there is no uncertainty or lack of clarity within the Federal Circuit with regard to the issue presented, as the decision below acknowledges. Although the *Allergan* panel issued concurring opinions critical of the *Warner-Lambert* decision, no dissenting opinion issued when the full court denied petitioners' petition for rehearing *en banc*. There was no departure from Federal Circuit precedent that merited a rehearing *en banc* or that raises issues properly of concern in this Court. *See* SUP. CT. R. 10(a).

Third, the legal significance of this case has greatly diminished since its filing because of the new FDA implementing regulations that were published after the case was decided below. *See* Applications for FDA Approval To Market a New Drug: Patent Submission and Listing Requirements and Application of 30-Month Stays On Approval of Abbreviated New Drug Applications Certifying That a Patent Claiming a Drug Is Invalid or Will Not Be Infringed; Final Rule, 68 Fed. Reg. 36,675 – 36,712 (June 18, 2003) (to be codified at 21 C.F.R. pt. 314). These new regulations were promulgated to prevent precisely the type of abuse that petitioners engaged in here. By these

new amendments, the FDA reiterated and clarified the provisions governing patent listing to make it more difficult for NDA-holders to abuse the Act by improperly listing irrelevant patents in the Orange Book and subsequently asserting them under § 271(e)(2) to prevent ANDA approval. The amended regulations make more explicit the pre-existing requirement that only patents that claim an approved use of a drug may be listed in the Orange Book. *See* 21 C.F.R. § 314.53(b) (effective August 18, 2003). Thus, the petition presents no important federal question. *See* SUP. CT. R. 10(c). The more stringent patent listing and filing requirements should prevent the issue at bar from reoccurring without any need for action by this Court. Accordingly, this case does not warrant further review by the Court and the petition should be denied.

I. THE FEDERAL CIRCUIT'S CONTROLLING INTERPRETATION OF § 271(e)(2) IS CORRECT

A. The *Warner-Lambert* Court Properly Construed The Language Of § 271(e)(2) Within The Context Of The Statutory Scheme As A Whole.

Seizing on the *Allergan* panel's criticism of the *Warner-Lambert* decision, petitioners contend that the *Warner-Lambert* court improperly allowed policy considerations, rather than the plain language of the statute, to dictate its construction of § 271(e)(2). That is not the case. The *Warner-Lambert* court expressly noted that "the starting point for every case involving construction of a statute is the language itself." App., *infra*, 9a. Implementing that rule, the court proceeded to interpret § 271(e)(2) by addressing the precise terms of the statute in the context of the Act as a whole, recognizing that 21 U.S.C. § 355(j), which governs the ANDA approval process, is expressly incorporated into 35 U.S.C. § 271(e)(2), the statutory basis for this action. *See Owasso Indep. School Dist. v. Falvo*, 534 U.S. 426, 434 (2002) (citing *Davis v. Michigan Dept. of Treasury,*

489 U.S. 803, 809 (1989)) ("It is a fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.").

The crux of the *Warner-Lambert* court's reasoning was that:

> [B]ecause an ANDA may not seek approval for an unapproved or off-label use of a drug under 21 U.S.C. § 355(j)(2)(A)(i), it necessarily follows that 35 U.S.C. 271(e)(2)(A) does not apply to a use patent claiming only such a use. The statute recites "a drug . . . the use of which is claimed" (emphasis added), not "a drug . . . a use of which is claimed," or "a drug . . . any use of which is claimed," or "a drug having a use which is claimed." The FDA does not grant across-the-board approval to market a drug. Rather, it grants approval to make, use, and sell a drug for a specific purpose for which that drug has been demonstrated to be safe and efficacious. Read in the context of the Act, of which the provision now codified at 35 U.S.C. § 271(e) was just a part, it is clear that the phrase "the use" in § 271(e)(2)(A) refers to the use for which the FDA has granted an NDA.

App., *infra*, 12a. Thus, after a careful review of the statutory language, the Federal Circuit held that § 271(e)(2) does not provide a cause of action for infringement of method-of-use patents that do not claim "the" use for which the ANDA seeks approval. App., *infra*, 25a.

Nevertheless, petitioners argue that the *Warner-Lambert* interpretation is wrong and the "plain language" construction of § 271(e)(2) that the concurring opinions in *Allergan* advocated is correct. (P. Br. at 21). But, as a practical matter,

the statutory language at issue cannot be "plain" in the manner petitioners advocate, as a prior panel of the Federal Circuit adopted a diametrically opposed construction. *See Chickasaw Nation v. United States*, 534 U.S. 84, 90 (2001) (A statute is ambiguous if it is "capable of being understood in two or more possible senses or ways."). Under these circumstances, the statute should be read "in the manner that effectuates rather than frustrates the major purpose of the legislative draftsmen." *See Shapiro v. United States*, 335 U.S. 1, 31 (1948).

Appropriately, the *Warner-Lambert* court considered the legislative history and the stated purposes of the Act in construing the disputed language of § 271(e)(2). *See McDonald v. Santa Fe Trail Transp. Co.*, 427 U.S. 273, 287 (1976) ("whatever ambiguity there may be in the language of [the statute] is clarified by an examination of the legislative history . . ."); *Tidewater Oil Co. v. United States*, 409 U.S. 151, 157 (1972) ("while the clear meaning of statutory language is not to be ignored, 'words are inexact tools at best,' and hence it is essential that we place the words of a statute in their proper context by resort to the legislative history.") (internal citations omitted). Moreover, although the *Warner-Lambert* court's construction of § 271(e)(2) was not "policy driven" as petitioners suggest, it was entirely appropriate for the court to consider the underlying Congressional goals and policies in interpreting the statute. *See Johnson v. United States*, 529 U.S. 694, 710 n.10 (2000) (the Court "[has] never treated the text as such a jealous guide and ha[s] traditionally sought to construe a statute so as to reach results consistent with [] 'its object and policy'.") (internal citations omitted).

As explained, *supra* at 10, Judge Schall reviewed the language of § 271(e)(2) in isolation and without reference to the statutory scheme as a whole. Such approach to statutory construction is improper. As the Court stated in *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000):

"[T]he words of a statute must be read in their context and with a view to their place in the overall statutory scheme. A court must therefore interpret the statute as a symmetrical and coherent regulatory scheme and fit, if possible, all parts into an harmonious whole." (internal quotation marks and citations omitted). Indeed, the Court has explicitly recognized that the provisions of the Hatch-Waxman Act should be interpreted by reference to the Act "taken as a whole." *Eli Lilly & Co. v. Medtronic, Inc.* 496 U.S. 661, 669 (1990). The *Allergan* panel disregarded this fundamental precept of statutory construction to arrive at petitioners' flawed construction which, if adopted, would frustrate the very purpose of the Act.

B. Other Sections Of The Act, The Legislative History And The FDA Regulations. Confirm The Federal Circuit's Controlling Interpretation That § 271(e)(2) Applies Only To Controlling Use Patents.

To be read consistently in the context of the Act as a whole, § 271(e)(2) must be interpreted to apply to controlling use patents only. Other provisions of the Act and its implementing regulations mandate that: (i) only patents which claim an approved use of a listed drug be listed in the Orange Book, and (ii) the certification provision does not apply to patents that do not claim a use for which ANDA approval is sought. Furthermore, the injunctive remedy for infringement under § 271(e)(2), if applied to a patent which does not claim the use for which an ANDA seeks approval, is inconsistent with the purposes of the Act and with general principles of patent law. *See* 35 U.S.C. § 271(e)(4)(A).

1. The Patent Listing Provision.

The listing provision, 21 U.S.C. § 355(b)(1), allows the NDA applicant to give notice regarding all of its *relevant* patents, by requiring that it file "the patent number and expiration date of any patent which claims the drug . . . or any patent which claims a method of using such drug and *with respect to which a claim of patent infringement could reasonably be asserted* . . ." *Id.* (emphasis added). Interpreted against the statutory scheme as a whole, the only patents with respect to which a claim of patent infringement could *reasonably* be asserted in the ANDA context are patents which claim the use for which an ANDA seeks approval which, by definition, is an approved use. The FDA implementing regulation makes unmistakably clear that only controlling use patents may be listed in the Orange Book:

> For patents that claim a method-of-use, the applicant shall submit information only on those patents that claim indications or other conditions of use *of a pending or approved application.*

21 C.F.R. § 314.53(b) (emphasis added). As the regulatory language makes clear, the "indications" or "conditions of use" must be found in a "pending or approved application." Since petitioners never filed an NDA for the use of brimonidine for neuroprotection, that specific use is not an indication or condition of use "of a pending or approved application." Therefore, petitioners' neuroprotection patents should not have been listed in the Orange Book and, as the *Warner-Lambert* court recognized, such patents cannot provide a basis for suit under § 271(e)(2).[7]

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7. The plaintiff-NDA–holder in *Warner-Lambert* conceded that its neurodegenerative method-of-use patent, which does not claim an approved use of the drug at issue, was improperly listed in the Orange Book and withdrew the listing the day after the Federal Circuit's decision was announced. *See Torpharm, Inc. v. Thompson*, 260 F. Supp.2d 69, 76 (D.D.C. 2003).

2. The Patent Certification Provision.

The patent certification provision requires certification for "each patent . . . *which claims a use for such listed drug for which the applicant is seeking approval.*" 21 U.S.C. § 355(j)(2)(A)(vii). Petitioners rely on Judge Schall's parsing of the language of this provision to argue that the highlighted language means that an ANDA applicant must certify to any patent which claims any use for the listed drug. (P. Br. at 26). But, as the *Warner-Lambert* court noted, this argument is unconvincing because "one does not obtain across-the-board approval to market a drug. Instead, one obtains approval to market a drug for a specific use for which the drug has been demonstrated to be safe and effective." App., *infra*, 25a. Closely examining the language of § 355(j)(2)(A)(vii) the court held that the phrase "use for such listed drug" was the antecedent for the phrase "for which the applicant is seeking approval." Thus, this section requires certification only for patents which claim the use for such listed drug for which the ANDA seeks approval.

Contrary to petitioners' arguments (P. Br. at 28-29), the legislative history regarding certification requirements supports the controlling Federal Circuit interpretation of the Act to the letter. Congress specified the only patents that require certifications as "product patents which claim the listed drug and all use patents which claim an indication for the drug for which the applicant is seeking approval (herein after described as a controlling use patent)." H.R. Rep. No. 98-857, pt. 1, at 22, *reprinted in* 1984 U.S.C.C.A.N. 2647, 2655. Congress expressly stated that "the committee intends that the applicant make the appropriate certification for each product and controlling use patent." *Id.* Recognizing that in some instances multiple certifications may be required for

product or controlling use patents, Congress gave examples of how certification was to work in practice:

> . . . [I]f there are indications which are claimed by any use patent and for which the applicant is *not* seeking approval, then an ANDA must state that the applicant is not seeking approval for those indications which are claimed by such use patent. For example, the listed drug may be approved for two indications. If the applicant is seeking approval only for Indication No. 1, and not Indication No. 2 because it is protected by a use patent, then the applicant must make the appropriate certification and a statement explaining that it is not seeking approval for Indication No. 2.

Id. Petitioners argue that this example means that even the patent covering Indication No. 2 must be certified to. But this argument must fail because that patent does not claim the use for which the ANDA seeks approval (*i.e.*, it is not a controlling use patent). (P. Br. at 29). Thus, the "appropriate certification" in the example refers only to indication number 1, the use for which the ANDA seeks approval.[8] By this example, it is clear that Congress anticipated an ANDA obtaining FDA approval even where another approved and patented use exists. Thus, petitioners' argument that it was Congress's "careful decision" to forestall approval of a generic drug for one use while a patent exists on another use rings hollow. (P. Br. at 18-19).

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8. Here, since brimonidine is approved for only one indication (lowering IOP), the particular example in the legislative history is not directly applicable to the present facts. Further, because petitioners' patents do not cover a use for which respondents' ANDA sought approval, a certification was not required, but as the district court noted, because the petitioners' patents were listed in the Orange Book respondents were forced to certify as practical matter. Pet. App. n.9 62a.

Further support that the certification requirement applies only to controlling use patents is the FDA regulation governing notice requirements for Paragraph IV certifications which indicates that the FDA's view of the statute is the same as the controlling Federal Circuit interpretation. *See* 21 C.F.R. § 314.95(a)(3) ("This paragraph does not apply to a use patent that claims no uses for which the applicant is seeking approval."). It is only upon receipt of the notice of certification that the 45 day period in which the NDA-holder may bring suit under § 271(e)(2) is triggered. Clearly, where neither certification nor notice is required for a patent which does not claim "a use for such listed drug for which the applicant is seeking approval," such patent cannot support a suit under § 271(e)(2).[9]

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9. The statutory language of § 271(e)(2) is both silent and ambiguous. As petitioners and Judge Linn note, the statute is silent on whether the predicate "use . . . claimed in a patent" must be an FDA-approved use. Moreover, the statute is ambiguous, as evidenced by the two opposing interpretations reached by the *Allergan* and *Warner-Lambert* panels of the Federal Circuit. However, if the statute "is silent or ambiguous with respect to the specific issue," "the court must sustain an agency's interpretation if it is based on a permissible construction of the statute." *Barnhart v. Walton,* 535 U.S. 212, 218 (2002), (*quoting Chevron, U.S.A., Inc. v. Nat'l Res. Def. Council, Inc.*, 467 U.S. 837, 843-44 (1988)).

C. Petitioners Are Not Entitled To Expand Their Patent Rights On Method-Of-Use Patents Through § 271(e)(2).

1. The Remedy For Infringement Under § 271(e)(2) Is Inappropriate To Address Infringement Of A Method-Of-Use Patent That Claims Only An Unapproved Use.

The remedy for infringement under § 271(e)(2) mandates an order preventing FDA approval of the ANDA for the entire unexpired term of the infringed patent. 35 U.S.C. § 271(e)(4)(A).[10] Therefore, a finding of infringement under § 271(e)(2) would bar *all* uses of brimonidine, including its FDA-approved, non-infringing use. Thus, the remedy petitioners seek in these circumstances is radically inconsistent with conventional patent law, where the appropriate remedy for inducement is a narrowly tailored injunction to prevent only the infringing activity. *See Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 775 (Fed. Cir. 1993). Even if respondents were to engage in inducing activity after ANDA approval, when petitioners could properly bring suit for inducement under § 271(b), respondents could be enjoined only from continuing the inducing activity, not from marketing their generic drug for its unpatented, approved use. *Id.*

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10. This remedy is appropriate only for infringement of a controlling use patent where the ANDA seeks approval for the patented use, because any sale of the generic drug for its approved use would inevitably result in infringement.

2. Petitioners' Interpretation Of § 271(e)(2) Improperly Equates Method-Of-Use Patents With Product Patents.

There is no basis under the Act to expand petitioners' patent rights on their off-label method-of-use patents to provide them a remedy they would not otherwise be entitled to under the patent laws. Petitioners do not hold an NDA for the patented purported new use of the drug and are therefore not entitled to benefits under the Act. However, petitioners are still entitled to their full panoply of rights under the patent laws. Rather than "destroy[ing] patent protections" for off-label use patents, as petitioners claim (P. Br. at 13), the decision below merely accords with basic patent law that a method of use patent "does not give rights equivalent to a product patent." *Chisum on Patents*, Vol. 1, § 1.03[8][c] at 1-294 (2003). Rather, "[t]he patentee's rights are confined to the particular [claimed] use of the product . . . Further, the patentee cannot directly control the manufacture and sale of product." *Id.*

The patentee can of course enforce a method-of-use patent after the FDA approves a particular drug, if a generic manufacturer engages in inducing activity and if, as a result of that activity, the patent is infringed. But, the patentee cannot use the limited protection provided by such a patent to prevent FDA from approving a generic drug for a non-infringing use. Indeed, if petitioners' position were adopted, they would retain the exclusive rights to all uses of this unpatented drug, including its only FDA-approved use —a use the Patent Office *explicitly* determined that petitioners could not patent.

3. Petitioners' Interpretation Of The Act Would Frustrate One of The Purposes Of The Act.

Petitioners' reading of § 271(e)(2) invites abuse. Indeed, under that interpretation, an NDA-holder could strangle generic competition by:

> regularly filing a new patent application claiming a narrow method of use not covered by its NDA. It would then be able to use § 271(e)(2)(A) as a sword against any competitor's ANDA seeking approval to market an off-patent drug for an approved use not covered by the patent. Generic manufacturers would effectively be barred altogether from entering the market. That would certainly not advance the purpose of making available "more low cost generic drugs," and was not what Congress intended.

App., *infra*, 17a. Petitioners' proliferation of narrow method-of-use patents on the same alleged invention and their successive infringement suits against respondents represent just such an anticompetitive scheme to prevent or delay FDA approval of generic versions of brimonidine to prolong petitioners' market exclusivity for that drug.[11] Thus, petitioners' interpretation would defeat the purpose of the Act and deprive the public of low cost generic drugs for unpatented FDA-approved uses.

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11. This case vividly illustrates the potential for abuse. After the district court granted summary judgment in this case, petitioners brought a second suit under § 271(e)(2) on a newly issued patent on the same "invention," *i.e.*, the neuroprotective use of brimonidine (a continuation of the patents-in-suit here). As a result, approval of respondents' ANDA was stayed for a second time. The district court again granted summary judgment relying heavily on the newly-published *Warner-Lambert* decision. *Alcon Labs., Inc. v. Allergan, Inc.*, 256 F. Supp.2d 1080 (C.D. Cal. 2003).

Therefore, since the FDA interpretation of the Act in promulgating regulations is entitled to deference, its interpretation of § 271(e)(2), as expressed in those regulations, commands the same deference. As explained *supra*, the patent listing regulation at 21 C.F.R. § 314.53(b), and the regulation governing notice of certification at 21 C.F.R. § 314.95(a)(3), both confirm the Federal Circuit's controlling interpretation that therefore merits the Court's deference.

II. THERE IS NO CONFLICT OR LACK OF CLARITY IN THE LOWER COURT TO MERIT THE COURT'S REVIEW

A. There Is No Lack Of Clarity In The Federal Circuit On The Interpretation Of § 271(e)(2).

The *Allergan* court below recognized that *Warner-Lambert* is the controlling Federal Circuit authority on the issue at bar and properly followed that established precedent in affirming this case, *per curiam*. Pet. App. 13a.

That the *Allergan* panel members voiced their criticisms of the *Warner-Lambert* decision in two concurring opinions is of no moment, because those concurrences have no precedential value. Furthermore, no obvious conflict remains within the court. The rehearing petition was heard by the full Federal Circuit court *en banc* and no judge, including any of the three judges from the *Allergan* panel, published a dissent from the order denying the rehearing *en banc*. *See Lough v. Brunswick*, 103 F.3d 1517 (Fed. Cir. 1997) (opinions dissenting from the Order denying rehearing *en banc* published by J. Newman, J. Michel and J. Rader).

Thus, because there is no conflict of authority within the Federal Circuit, there is no reason for the Court to review this case. *See* SUP. CT. R. 10(a).

III. THE COURT'S REVIEW IS UNNECESSARY BECAUSE THE SIGNIFICANCE OF THE FEDERAL QUESTION PRESENTED IS DIMINISHED BY THE NEW FDA IMPLEMENTING REGULATIONS

A. Recent Amendments To Regulations Governing Orange Book Listings Make It Unmistakably Clear That Patents Claiming Off-label Uses May Not Be Listed.

After the case was decided below, FDA promulgated new rules clarifying its interpretation of the statute, which in these circumstances is entitled to the Court's deference. *See Chevron U.S.A., Inc. v. Nat'l Res. Def. Council, Inc.*, 467 U.S. 837, 843-44 (1988). Amendments to the regulations governing patent listing and the 30-month stay provisions were made to counter abuse of these provisions by NDA-holders seeking to improperly extend their market exclusivity. *See* 68 Fed. Reg. 36,675, 36,688 (June 18, 2003). The new regulations restate the law with respect to listing method-of-use patents in the Orange Book, and further support respondents' interpretation of § 271(e)(2), since only method-of-use patents that claim an approved use of a drug may be listed in the Orange Book. *See* 21 C.F.R. § 314.53(b) (effective August 18, 2003). Because only listed patents can support an infringement action under § 271(e)(2), it necessarily follows that this section does not apply to *any* patent that claims *any* use of a drug as petitioners urge.

The new 21 C.F.R. § 314.53(b), as amended, is explicit in providing that only patents covering an approved use may be listed in the Orange book:

> For patents that claim a method of use, the applicant shall submit information only on those

> patents that claim indications or other conditions of use that are described in the pending or approved application. *The applicant shall separately identify each pending or approved method of use and related patent claim.* For approved applications, the applicant submitting the method-of-use patent *shall identify with specificity the section of the approved labeling that corresponds to the method of use claimed by the patent submitted.*

68 Fed. Reg. 36,675, 36,704 (June 18, 2003) (to be codified at 21 C.F.R. § 314.53(b)) (emphasis added). The new regulations have very specific reporting requirements and require that the patentee submit patent information accompanied by a sworn declaration on a special declaration form, *e.g.* FDA Form 3542.[12] *See id.* at 36,705 (to be codified at 21 C.F.R. § 314.53(c)). This declaration form requires that information is submitted "for each method of use claim referenced" and requires responses to the following questions:

> 4.1 Does the patent claim one or more methods of use for which approval is being sought in the pending NDA, amendment, or supplement?
>
> 4.2 Claim Number (as listed in the patent)
>
> Does the patent claim referenced in 4.2 claim a pending method of use for which approval is being sought in the pending NDA, amendment, or supplement?
>
> 4.2a If the answer to 4.2 is "Yes," identify with specificity the use with reference to the proposed labeling for the drug product. (Submit indication

12. *Available at* http://forms.psc.gov/forms/FDA/Fda-3542a.pdf

> or method of use information as identified specifically in the proposed labeling.)

See FDA Form 3542. The NDA-holder must verify that the statements on Form 3542 are true under penalty of perjury and the threat that a "willfully and knowingly false statement is a criminal offense under 18 U.S.C. 1001." *Id.*

B. The Court's Review Is Unnecessary Where The Issue Has Little Significance Beyond The Instant Parties.

Accordingly, since the new patent listing requirements for method-of-use patents are so clear, it is unlikely that in the future, an NDA-holder will improperly list patents that do not claim approved uses of listed drugs in the Orange Book, as petitioners did here. It follows, that if only method-of-use patents which claim approved uses of listed drugs will be listed in the Orange Book, then future suits under § 271(e)(2) will necessarily be brought only on patents that claim approved uses of listed drugs.[13]

Because the facts of this case should not recur in the future, the question presented in petitioners' writ is not an important federal question of major significance to the pharmaceutical industry or to the public. Therefore, this issue, which has few if any ramifications beyond the instant case, does not satisfy any of the criteria for the exercise of this Court's discretionary jurisdiction. *See Bartlett v. Stephenson*, 535 U.S. 1301, 1304 (2002). Thus, it is respectfully submitted that the Court should deny the petition.

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13. Even if an NDA-holder were to violate the new listing regulations and list a use patent that does not claim an approved use of a drug, any infringement claim brought under § 271(e)(2) for that patent would be summarily dismissed under *Warner-Lambert*.

CONCLUSION

For the foregoing reasons, the petition for a writ of *certiorari* should be denied.

Respectfully submitted,

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